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WITH OUR COMPLIMENTS

### INTERNATIONAL MANAGER

## **Workers Get to Redesign** Organization's Structure

By Claudia H. Deutsch

New York Times Service ARSIPPANY, New Jersey — AT&T Credit, American Telephone & Telegraph Corp.'s financing arm, is in turmoil. Since October, the unit, with \$2.5 billion in assets and 300,000 customer accounts, has been rework-

assets and 300,000 customer accounts, has been reworking job titles, responsibilities and bonus plans.

In May, it moved here from nearby Morristown, Many of its 620 employees are lining up for courses in coping with change. Yet the staff is energetic rather than panicked. One reason: Every aspect of the new structure, from the description of the president's job to the decor, was designed by the workers.

"These people rebuilt this company from the ground up and that gives them a sense of ownership," said Irving H. Rothman, the credit subsidiary's president.

Added James D. McGrane, who headed the team that description of the president as the company's problems.

who headed the team that designed the new organizational structure: "We've gone from a system where problems got passed from employee to em-ployee to one where problems company's problems and designed

a new system.

AT&T Credit's route to this system proves that the Japanese process of bottom-up consensus management can apparently work in at least one American corporate culture.

Back in 1985, when AT&T Credit was formed, management

assumed that large companies would buy big systems requiring complicated financing, while small companies would buy smaller systems and make do with standard forms of financing.

So it gave one group of employees responsibility for national accounts and big transactions. Meanwhile, a white-collar assembly line processed purchases made by small companies.

The setup satisfied no one. Small customers clamored for more flexible financing and personal service. Large companies wanted

flexible financing and personal service. Large companies wanted a speedier turnaround. Employees shuffled papers between the two systems. Inevitably, documents got lost, infuriating the AT&T equipment salespeople who served as buffer between the credit arm and the customer.

Y 1989, MORALE was at a low point. "The whole place By 1989, MORALE was at a low point suffered from diminished energy, Mr. Rothman recalled. Management's answer: Pick 10 employees, train them in team-building and organizational design and tell them to spend 50 percent of their time designing a merged, re-energized system. The team proceeded carefully. First, it visited customers and

salesmen to discuss their needs. Then it interviewed about 90 AT&T Credit employees, and sent questionnaires to the rest. It also held informal monthly meetings with employees, and fielded questions and comments relayed to team members via voice mail.

Once the information was sifted and digested, the team did a

work-flow analysis, tracing what happens from the time a customer orders equipment to the time the last payment is made. The team spotted ways to cut costs and boost productivity.

Finally, the team went to a resort for five days, mapped out the new organization and wrote job descriptions for every position.

AT&T Credit now is divided into 20 geographical units, each handling all customers in its area. Within the units, portfolio asset managers keep tabs on the transactions of the customers

assigned to them. Bonuses for all unit members are based on the entire unit's ability to raise revenues and reduce bad loans. The design team's work was completed by late 1989. Then the

The design team's work was completed by late 1989. Then the tumult really began. In 1990, management invited all employees to apply for the newly designed jobs. And it designated a cross-section of employees to serve as a transition team, which would mete out all the jobs—while also picking out the furniture.

The tinkering is not over. The units still seek a better way to divide duties between accounting managers and credit managers. They continue to simplify invoices and credit applications.

"We're still tweaking things," said Mr. McGrane, now a vice president of one of the units. "But finally, the walls between people are coming down."

Currency Per S
Mex. peso 3020.00
N. Zeeland \$ 1,7605
Norw, krone 7,141
Phil. peso 27,31
Pert. escudo 159,80
Saudi riyal 2,75
Sine. \$ 1,7715
S. Kor. won 728,90

**CURRENCY RATES** 

# Sales Off In U.S.

Housing

#### 3.3% Fall Implies Weaker Recovery

WASHINGTON — New home sales sank 3.3 percent in May, the second straight decline, according to a government report on Wednes-

to a government report on Wednes-day that suggested the recovery from the U.S. recession would be weaker than first thought.

"We're seeing continued signs of a slow recovery," said Kermit Bak-er, economist at Cahners Econom-ics, a Newton, Massachusetts, fore-casting service. "We're going to see a few bumps along the way."

Other recent economic reports.

Other recent economic reports including higher factory orders, more construction starts and higher personal incomes in May, have indicated an end to the recession that began last July and the beginning of a turnaround.

David F. Seiders, an economist with the National Association of Home Builders in Washington, also viewed the report "as part of the process of a gradual uptrend" that will include "ups and downs."

Thomas Holloway, an economist with the Mortgage Bankers Association in Washington, noted that the housing sector typically leads the overall economy out of recession.

For housing growth to be sustained, "the economy needs to show some signs of life, which it didn't do in the winter and early spring," he said, adding: "Now it's starting to do so and housing will show some pretty significant im-

By most measures, including more construction starts and building permits in May as well as a 6 percent rise in sales of existing homes, housing has begun leading the economy out of recession.

The departments of Commerce and of Housing and Urban Devel-opment said sales of single-family homes totaled a seasonally adjusted annual rate of 474,000 units in May, down from 490,000 a month Sales in February rose 17.9 per-

cent rather than the 18.1 percent reported earlier. March sales advanced just 0.6 percent rather than 1.0 percent, and April sales actually fell 0.2 percent rather than climb-

Still, analysts maintained their belief that the housing recession bottomed in January, when new home sales plummeted 10.8 percent will blossom. "Everyone portant it is a market for to a 414,000 rate, the lowest since

# Yugoslavia Faces Financial Crisis, Too

By Richard E. Smith

International Herald Tribune
FRANKFURT — Yugoslavia's political crisis could be quickly followed by a financial one, with two of the country's major sources of foreign exchange — tourism and funds sent home by workers living abroad — drying

up rapidly.
European bankers and government officials said Wednesday that Yugoslavia is dangerously dependent on such income just as tourists are shunning it as a destination and its workers abroad are afraid to send money to an uncertain fate at home.

"The political situation in Yugoslavia is causing income to fall sharply and this will certainly cause problems for Yugoslavia's trade and debt situation," said Wolfgang Schüssel, Austria's economics minister

The country has been able to count on solid foreign-exchange income from these two sources for a number of years, enabling it most of the time both to cover its foreigntrade deficit and to make reliable payment on its debt bill of roughly \$16 billion.

But a collapse in such income seems a clear danger, with German and other tour groups paying to get clients out of Yugoslavia and as

workers based abroad stop sending their earnings home. At the same time, border closings are paralyzing much of the country's flow of goods, with no clear improvement in

This crisis is happening at the worst possible time for tourism because it is the beginning of the season and the best part of the year will probably be lost," said Peter Feith, an official n the Austrian Economics Ministry.

"It is crucial to restore peace with some sort of arrangement as soon as possible because a longer-term loss of confidence by tourists and workers abroad could lead to a serious drop in the country's debt rating,' said Peter Danylov, a specialist on Yugoslavia at the Federal Association of German Industry in Bonn.

Economists noted that a break-up of Yugoslavia would mark the first time that a major debtor country had physically fallen

Economists note that the country's fi-

nances will be seriously disrupted if Slovenia and Croatia break away from the federation or set out an independent economic agenda. Aside from being the two most developed republics in Yugoslavia, they happen also to

sent the largest number of workers abroad. This leaves Serbia with the prospect of losing not only political dominance within the federation, but also some of the federation's major sources of foreign exchange.

Most of Yugoslavia's Adriatic coast, the primary source of the country's tourism income of about \$2.7 billion, is in Croatia.

Slovenia holds a small stretch. Bankers estimate that a further \$1 billion has been sent back home annually by workers living abroad and that most of these workers come from Slovenia and Croatia, states with a tradition of sending workers to Northern and Western Europe.

Economists noted that it is difficult to estimate how much flows back to private accounts in Yugoslavia but some Austrian bankers feared that some workers abroad, fearful that earnings from past years might be endangered, might even be trying to draw

savings out of the country.

"The politically powerful Serbians are afraid of losing the richest republics and this means that much of the political conflict is a thinly veiled economic war," said Werner

See YUGOSLAVIA, Page 12

## Having It All: Vast Data Networks Near

By John Markoff

New York Times Service
NEW YORK — The development of a U.S. data network will allow users of personal computers to tap sources as large as the Li-

brary of Congress or receive their own personalized newspapers. Several innovations have already demonstrated that searching vast data bases can be easier than con-sulting a card catalogue, and not nearly as difficult or expensive as

computer searches today.

Users with minimal computer skills would soon be able to search through several terabytes of information — several trillion characters of text — in seconds. The Library of Congress, with 80 million items, contains an estimated 25 terabytes of information. abytes of information.

Already an experimental com-puter library has linked 150 universities to 40 sources of information, ranging from National Institutes of Health data to corporate documents and Shakespeare's plays. New software allows users to browse or zero in.

As methods of retrieving information are standardized and perfected, industry executives and computer scientists say, thousands of new services, ranging from elec-

win orossom.

"Everyone is realizing how important it is to get into the mass market for information," said Thomas Koulopoulos, president of Delphi Consulting Group, a Boston market-research firm.

adopted throughout the European

The proposal was designed to prevent unwelcome "physical, verbal or nonverbal" conduct that

would affect a person's work or career, including training, salary,

promotion or other employment

those affected by it."

Spreading Information e Wide Area information Servers system provides a broad range of information by Office library National Network

Such ready access to huge mounts of computerized informa-on has been the dream of many, but a lack of computing power, effective software and high-speed digital networks stalled progress.

If many of the technical prob-ers are being solved, major busi-ers; and political disputes remain. The industry has yet to find ways and co

protect and charge for intellectuproperty in a computer network. To encourage progress, Thinking
Machines Corp., a Cambridge,
Massachusetts, computer manufacturer, has made its software free.

The system permits con
ers to quickly search a hus
of information even if it is
several distant locations.

Some companies, like Dow Jones Corp., that already provide computerized information over telephone lines, have taken part in developing the new computer library.

In 1989, Thinking Machines en-listed the support of Dow Jones, Apple Computer Inc. and the KPMG Peat Marwick accounting computer library, called Wide Area Information Servers, or WAIS.

The system permits computer users to quickly search a huge volume of information even if it is stored at

While current systems like Dialog and Nexis require users to spec-ify precisely, the new system can respond to inferences. It presents a sample list of documents. The user chooses one or several, and a feedback program presents other docu-ments most like the ones selected. "This solves the problem of how

A computer user may need to See DATA, Page 16

# getting not too much and not too little," said Eather Dyson, editor of Release 1.0, a computer industry

# Paris Unveils EC Code Proposed to Prevent Sexual Harassment

# Steps to Lift Job Market

PARIS - France's labor minister announced measures Wednes-day aimed at making the job market more efficient and, over time, helping economic growth to bring unemployment down from its cur-rent all-time high.

"France has got — everybody knows it — a structural problem with unemployment," said Martine Aubry. "When the economy is knows it — a structural problem with unemployment," said Martine Aubry. "When the economy is growing, it creates fewer jobs than other countries."

In coming months, unemployment is expected to increase by 100,000 beyond May's total of 2,688,900.

"Sexual harassment is a serious problem for many working women and certain men in the European Community," the Commission said. "Research in member states has proven beyond doubt that sexual harassment at work is not an isolated phenomenon.

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Mrs. Aubry announced 15 pro-posals, ranging from more efficient use of the 35 billion francs (\$5.6 billion) that France spends every year on occupational training to making it simpler for families to hire domestic help.

Mrs. Aubry said the arrange-ment under which small companies are exempted from certain social security contributions for their first employee would be continued, but not extended to other workers.

However, the government is to boost aid to ailing companies that keep employees on short-time rather than lay them off outright. She also announced a crackdown on those who refuse jobs: "There are the unemployed, and there are cheats. You have to help the unem-

ployed and fight the cheats.

International Herald Tribune
BRUSSELS—The EC Commission proposed Wednesday that a code of conduct prohibiting sexual harassment in the workplace be the U.S. courts on the issue. are numerous lawsuits now before

The EC proposal takes the form of a nonbinding recommendation to governments rather than a directive requiring legislation in all 12

The code broadly defines sexual narassment as "unwanted conduct of a sexual nature or other conduct affecting the dignity of women and men at work." It does not outline specific examples.

Authorities of each nation would letermine if the code had been

The code advises employers, unions and employees on practical prevention measures, including publication of workplace standards "Sexual harassment," the proposal said, "pollutes the working environment and can have a devastating effect upon the health, confidence, morale and performance of ciplinary procedures if harassment is found

As with the campaign, now Research by several EC member growing, against smoking in the states showed that certain groups

# workplace, Europe has lagged well behind the United States in combating sexual harassment. There are particularly vulnerable. They are particu

al tasks.

and women assigned nontradition- sure, so "they should have read first and demonstrated later."

Four British models who pose topless for a London tabloid news-bor unions to adopt policies on

## **VW-Ford Van** Grant Approved Matra Opposed Portuguese Aid

By Charles Goldsmith

International Herald Tribune
BRUSSELS — The EC Com sion, expecting increased demand among young families for passen-ger vans, approved on Wednesday a Portuguese plan to grant 97 bil-tion escudos (\$600 million) in aid to Ford Motor Co. and Volkswagen AG to build a new plant.

The state aid has prompted complaints from France's Matra, whose Espace passenger van, dis-tributed by Renault, is the EC market leader.

The Espace already faces stiff competition from Chrysler as well

as Japanese models.
Commission competition officials determined, however, that the Portuguese aid "should not give an unfair advantage" to the Ford-VW joint production facility in an economically depressed area of southern Portugal.

Matra, which like Renault is owned by the French government, had complained that the aid would unfairly help Ford and Volkswagen

Ford price cuts in Britain could start a free-for-all. Page 13. There is a growing U.S. trend to nonstop auto assembly. Page 16.

compete against the Espace. Re-nault was forced by the Commission to repay about \$1 billion of aid

to France last year. The plant in Setubal would produce 190,000 vehicles yearly beginning in late 1994. The facility is expected to create 5,000 direct and

7,000 indirect jobs.
"One of the reasons why the ission has approved the aid is because it expects a rapidly expanding market for these vehicles," a spokesman said.

a spokesman said.

"The Community produced 29,000 multipurpose vehicles in 1986 and 69,000 in 1989," the spokesman said. "Independent analysts say this will grow rapidly through the 1990s and could reach a half-million by the end of the century, so the Commission felt that there is ample room for competition in this market."

The aid will include a direct grant of Me million Fow (\$446 million) and a rive-year tax break up to 47 million Ecus. Much of the

money comes from an EC program to help struggling regions.

The plant's remote location was another factor. Under EC rules for assistance to

75 percent of eli costs is allowed, and the Portuguese figure represents only 33 percent of those eligible costs.

sion would be more than just a short-term economic fix.

In the longer term, it should enhance the attractiveness of the region as an industrial zone and help Portugal increase its foothold in the paper said the EC proposal could sexual harassment and start proban the posting of nude pinups at the workplace.

Sexual harassment and start properties the commission nents industries, the Commission said.

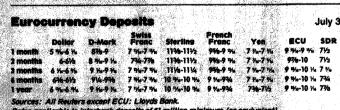
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30-day 1,5969 1,8362 1,5828

**Forward Rates** 

Currency Per \$
Greek druc. 199.85
Hone Kong \$ 7.7705
Indian rupea 26.05
India. ruplah 1949.00
Irish \$ 0.4849
Israelf shek. 2.3464
Kuwatti dinor 3.4037
Malay, ring. 2.7925

1.5904 1.8410 1.5853



Key Money Ra		Asian Dollar Deposits
	July 3	1 month 4-6%
Inited States	Close Prev.	2 months 6-6/2
Discount rate Prime rate	512 512 812 812	3 months 616 - 614
rime ruie Sederal funds	5 11/16 6.00	4 months 676 - 672
om paper 90-179 days	6.00 6.00	1 year 6 % - 6 %
-month Treasury bills	5.56 5.57	Source: Reuters.
-month Treasury bills	5.68 5.72	
-year Treasury bills 6-year Treasury bond	6.00 6.02 8.42 8.44	
-month CD's	5.70 5.70	U.S. Money Market Funds
-month CD's	5.80 5.80	
0000		July
Discount rate	51/2 51/2	Merrill Lynch Ready Assets
Call money	7 15/32 7 15/32	36-day average yield: 5.45
month interbank	71/2 71/2	Telerate Interest Rate Index: 5.982
month interbank	716 716	Source: Merrill Lynch, Telerate.
iarmony Discount rate	692 693	
ombard rate	9.00 9.00	
all money	8.95 8.95	
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-month interbank	9% 9%	Luxembourg, Paris and Landon official fix
month Interbank	9 11/16 9%	Ings; Hong Kong and Zurich opening an
-month interbank	9% 9%	clasing prices; New York spot market clas

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EUROPEAN FUTURES

LONG GILT (LIFFE) 656,000 - pts & 32mds of 100 pc Dec 90-26 90-21 91-11 Est. volume: 37,337, Open interest

FTSE 100 (LIFFE) £25 per index point

2490.0 2522.0

84.70 84.53 84.92 84.80 N.T. N.T. ime: 29.211. Open

Stock Indexes

Industrials

84,68 84,92 85,17

# Shaken by Tokyo, **Dow Tumbles 38**

Compiled by Our Staff From Dispatches
NEW YORK — Stocks tumbled

MARKET DIARY

poor U.S. nousing sales.

The Dow Jones industrial average, which rose 14.31 Tuesday, sank 38.02 to 2,934.70.

Among the broad-based gauges, the New York Stock Exchange

#### N.Y. Stocks

composite index fell 2.04 to 204.48 and Standard & Poor's 500-stock index sank 4.14 to 373.33.

Declines outpaced advances by an 11-5 margin. Adjusted volume amounted to 139.29 million shares, compared with 157.34 million changing hands Tuesday. The mar-ket will be closed for the Fourth of Geoffrey. July holiday and activity is expected to be very dull when it resumes Friday. BankAmerica was the most ac-

tive issue, plunging 2½ to 33%. Tenneco followed, down 1¼ to

in light pre-holiday trading
Wednesday, dragged down from
the opening bell by a plunge in the
Tokyo market (Page 17) and by
poor U.S. housing sales.

The Down longs industrial arms. pected second-quarter net income to drop nearly 75 percent to \$50 million, largely because of delin-quent commercial real estate loans. The projected earnings, at 33 cents a share, compare with \$195.2 million, or \$1.59 a share, for the second quarter of 1990.

On the American Stock Exchange, stocks ended lower in moderate trading. The Amex Market Value index fell 1.94 to 358.41.

Shares of Tyco Toys Inc. rose \$2 NYSE Most Actives to \$20 on the over-the-counter market after the company said it had bought out and retired its controversial chairman Benson Selzer and his board-member sons, John and

Benson Selzer had filled Tyco's board of directors with family members and associates,

## **Dollar Eases Slightly** In Quiet U.S. Trading

NEW YORK — The dollar New York. closed mostly easier Wednesday in The dollar quiet trading, with weak U.S. economic data and further rumors of and to 1.5800 Swiss francs from financial scandal in Japan boosting the mark ahead of the July 4 Inde-

pendence day holiday.
The dollar ended at 1.8295 Deutsche marks, down from the opening

### Foreign Exchange

of 1.8313 DM and Tuesday's finish

The dollar was slightly up, though, against the yen, closing at 139.55 yen after finishing Tuesday

As the market opened, the U.S. 1.5799, Commerce Department reported francs, that single-family home sales fell 6.2200.

3.3 percent in May, compared with economists' expectations of a 2.3 don again

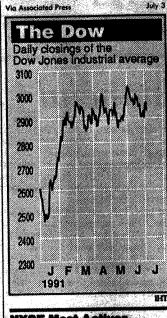
"The market was a little surprised" by the figures, said David. Tuesday's close of \$1.6025.

The dollar fell to 6.2015 French 1.5825. The British pound rose to \$1.6063 from Tuesday's \$1.6030.

Rumors of fresh twists in Japan's brokerage and other business scandals hurt Japanese stock prices and the yen. The rumors help the mark rise to 76.28 yen at the close of New York trading from 75.98 yen at the

In London, the dollar finished at 1.8257 DM, down less than 1 pfennig from Tuesday's 1.8350 DM.
The dollar was at 1.5765 Swiss francs, down from Tuesday's 1.5799, and at 6.2075 French francs, down from Tuesday's

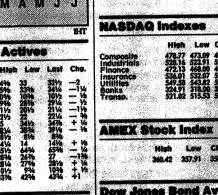
The dollar rose slightly in London against the yen, to 139.35 from Tuesday's 138.90. The pound was little changed at \$1.6105, up from

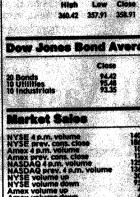


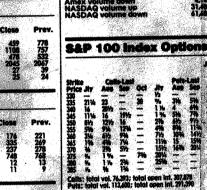
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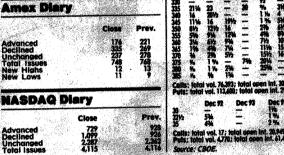
NYSE Diary

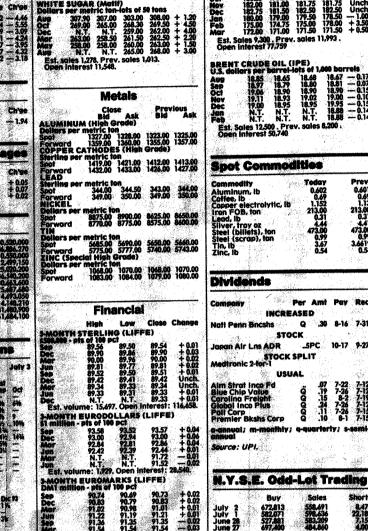
High Low Last











#### U.S./AT THE CLOS

#### AT&T, NCR to Amend Merger Plan •

DAYTON, Ohio (AP) — American Telephone & Telegraph Co. and NCR Corp. announced Wednesday that they planned to amend their merger agreement to use an accounting method that would make the transaction tax-free to NCR shareholders.

NCR last May agreed to be acquired by AT&T for \$7.4 billion after a GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pris of 100 pct

five-month takeover battle."

Under the amended plan, the two companies would increase the \$110per-share transaction price by 74 cents and NCR would stop paying dividends until the merger is completed in the fall.

#### GM Auto Sales Off 18% in Late June

DETROIT (Reuters) — General Motors Corp. said its late June U.S. car sales fell 18.6 percent, to 90,233, from 124,649 in the comparable

period a year earlier. There were eight selling days in the June 21-30, 1991, period against nine in the 1991 period. Percentage changes are based on daily selling rates, in GM said its late June U.S. light-truck sales fell about 17 percent to 42,848 from 58,215 in the period a year earlier. U.S. car sales for the month of June were 276,546, down from 298,840 in June 1990. (Page 16)

#### NYSE Trade to Start Half-Hour Early

NEW YORK (Reuters) — Faced with foreign competition and a tepid response to its after-hours trading, the New York Stock Exchange said on Wednesday it planned to start trading 30 minutes earlier each day.

If approved, the exchange would open at 9 A.M. local time beginning

Sept. 9.

The smaller American Stock Exchange said it would follow suit and begin trading at 9 A.M. on Sept. 9. Chicago futures and options exchanges, where derivative products tied to stocks are traded, also were likely to open earlier, officials said.

#### For the Record

America West Airlines, which sought protection from creditors last week, said it was reconsidering \$1.5 billion in aircraft orders from Boeing.

Piper Alreraft, a leading builder of small planes, filed for Chapter 11-protection, saying the potential for crash lawsuits scared off lenders. Piper, with an order backlog of \$100 million, is self-insured. (Reuters).

### COMPUTE: IBM-Apple Venture

He said he expected more com-panies to set up similar cross-li-computer manufacturers. censing agreements and joint ventures such as this and a rival to work together to create and license multimedia software, which pigital Equipment, Compaq, and means instructions to handle

tive end to attempts to maintain They said their joint products exclusive software systems de-would start reaching the market.

ing a degree of maturity, which means the rules of the game change for everyone," said Ulrich Weil, a Washington-based financial consultant to high-technology companies.

He said he expected more com-

thers. sound, video, animation and Analysts saw little effect in the graphics all at once.

international personal-computer. The agreements were contained market as a result of the deal, since in a letter of intent that remains to, the two already dominate the world be turned into definitive contracts narket. later this year, when the companies.
The agreement writes a defini-said they would reveal more details. signed to freeze out competitors. place in two to three years.

### YUGOSLAVIA: A Financial Crisis May Follow Nation's Political One

about one-quarter of the country's

Varga, an economist with Credi- ally supports the poorer Mezzogior- arrangements with the European Bankverein, Austria's larg- no in the south," Mr. Varga said.

Croatia have long standing contacts with the other Yugoslav republics as sources of raw materials and markets for their goods which could not be easily replaced else-where

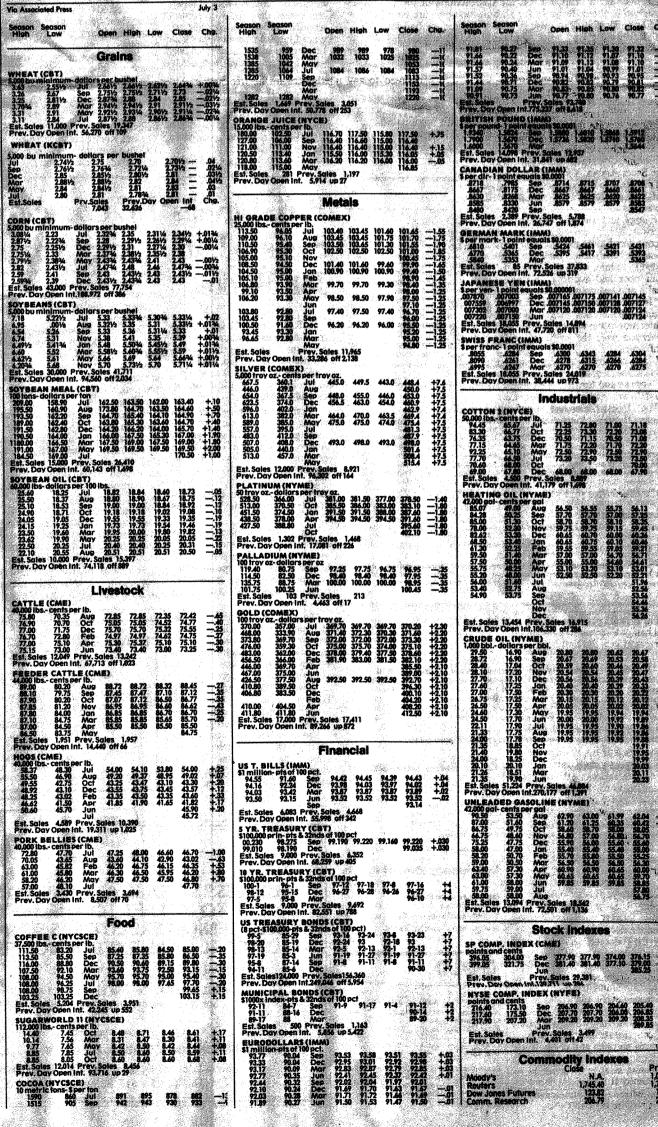
(Continued from first finance page) north have been subsidizing the rope but this may not be practical mine Vidovic, economist with the poorer south, much as northern It- in the short term and could require Vienna Institute for International

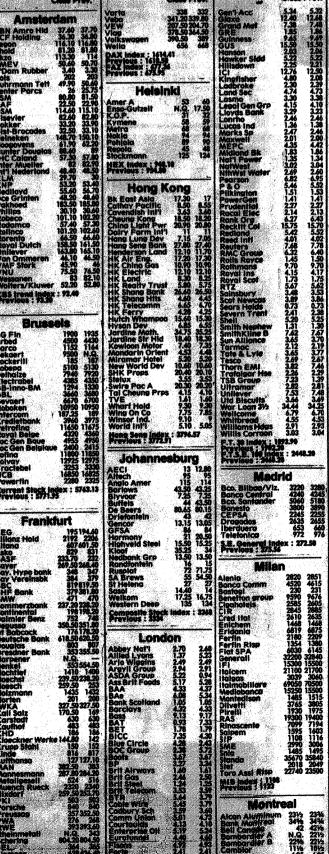
Community," said Mr. Danylov.

"We have long had a situation in the be redirected more to Western Eu
"The outlook for the debt situation that talks were continuing but decided the richer republics in the be redirected more to Western Eu
"The outlook for the debt situation that talks were continuing but decided to comment further."

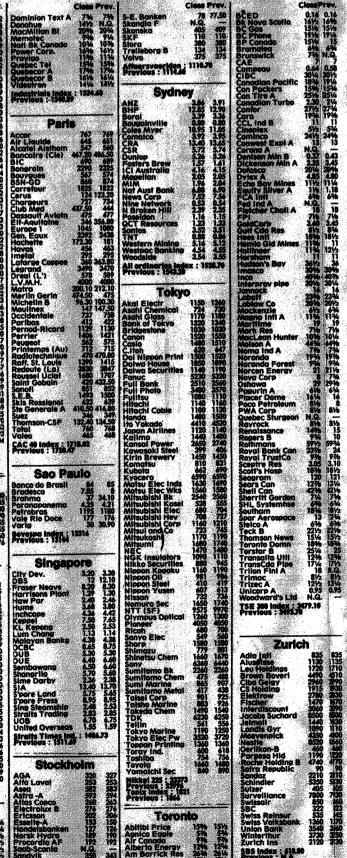
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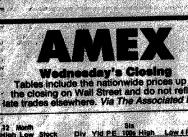
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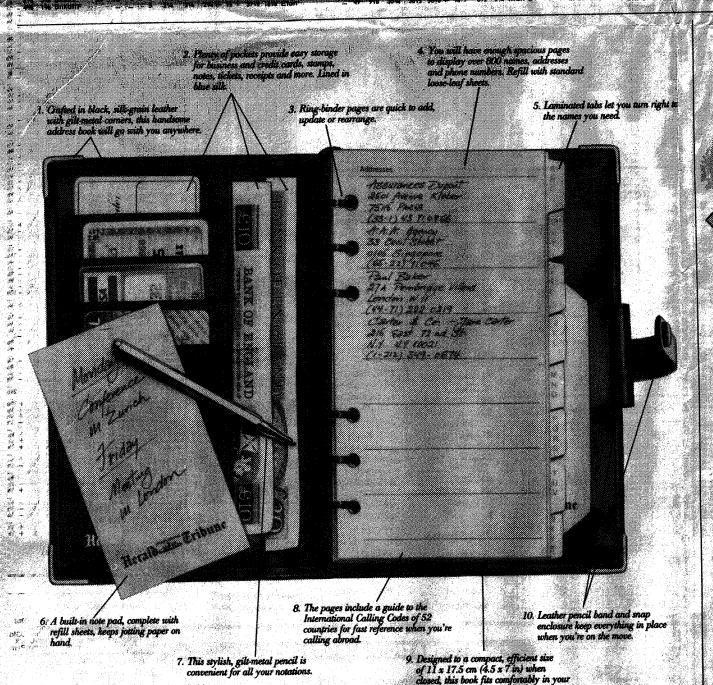












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**Automakers Move to Nonstop Assembly** 

By Doron P. Levin

New York Times Service

DETROIT — General Motors Corp. and a local chapter of the United Automobile Worklocal chapter of the United Automobile Workers union have tentatively agreed to begin nearly nonstop assembly operations at Lordstown, Ohio, starting next summer — effectively enabling production of as many cars at one plant as the company can now assemble at two.

The move represents a growing trend among U.S. automakers to reduce costs by wringing more use from existing plants.

Chrysler Corp., for example, has an agreement with the UAW to step up minivan production, if needed, by using three shifts instead of the usual two.

duction, if needed, by using three shifts instead of the usual two.

Robert C. Stempel, GM's chairman, has decided to operate plants at 100 percent capacity by the end of 1992.

He also plans to do so profitably, and that means matching capacity more closely to demand that has not been pumped up by rebates.

GM said it is contemplating no layoffs in consolidating production of its subcompact Pontiac Firebird and Chevrolet Cavalier at Lordstown.

The arrangement, however, is a tacit ac-knowledgment of the diminished market for its subcompacts, which just three years ago were also being produced at GM plants in Leeds, Missouri, and Janesville, Wisconsin.

GM also makes a van at the Lordstown plant, but its production would be consolidated at a plant in Flint, Michigan.

Sunday, for a total of 120 hours of production weekly.

GM's push to trim costs at its Baltimore

GM operates a few European assembly plants almost nonstop. Assembly plants in the United States normally work one or two eighthour shifts daily, with an extra shift on Saturday if necessary.

Under the GM and union proposal for Lordstown, the plant would operate with two 10-hour shifts Monday through Friday, a 10-hour shift on Saturday and a 10-hour shift on

#### **GM Receives Approval** To Build Cars in Egypt

DETROIT — General Motors Corp. has received approval from Egypt to build compact cars at an existing plant starting in 1993,

the automaker said.

GM now assembles Isuzu-designed light and medium trucks and minibuses in Egypt. Production of a car about the size of a Chevrolet Cavalier will start in 1993, with output rising to 5,000 a year by 1998. Local content is expected to be 30 percent at the start and to reach 40 percent after a year.

GM's push to trim costs at its Baltimore plant precipitated a strike last week because workers complained that the faster pace was causing too many accidents.

causing too many accidents.

Al Alli, UAW shop chairman at Lordstown, said the union's concerns had been worked out. Times have changed, he said. "We negotiate instead of strike."

Beyond the pace of work, some manufacturing experts are concerned that near-nonstop assembly operations do not allow enough time for routine maintenance. They note that Japanese automakers, generally acknowledged to be the world's most efficient, so far have not felt the need to try near-nonstop operations in the United States or Japan.

GM declined to comment on its production

GM declined to comment on its production capacity at Lordstown, but Mr. Alli said the company told him that the plant would be able to build 480,000 cars annually. A GM spokesman said in the latest year the plant produced 360,000 cars on two shifts, plus overtime.

In the new Lordstown arrangement, three crews would each work four days a week, 10 hours a day. Two crews would receive 44 hours of pay for a 40-hour week. The third crew, working Friday through Monday, would receive 48 hours of pay.

#### DATA: Information Networks in the U.S. Are Expanding by Terabytes

puters to search data bases stored by Dow Jones, KPMG and several

In 1989, the United States had fewer than 60,000 users in the marorporations and universities. fewer than 60,000 users in the mar-Users can also read electronic ket for software that allows the ability for a user to develop a

(Continued from first finance page)
call seven or eight separate data bases depending on the information needed.

The WAIS system lets users of Apple personal computers harness a network of Thinking Machines supercomputers and smaller computers to search data bases stored puters to search data bases stored provided in the information of the information and magazines.

The WAIS system lets users of Apple personal computers harness a network of Thinking Machines supercomputers and smaller computers to search data bases stored provided in the information of the information and magazines.

The WAIS system lets users of Apple personal computers harness and enterority of documents, newspaper.

At Thinking Machines, the market to grow to 160,000 users and \$235 million by 1992.

Apple has its own electronic newspaper.

Rosebud uses special programs, called reporters, that allow custom-page and magazines are so specify the information and \$235 million by 1992.

Apple has its own electronic libraries and other information and magazines are specify the information and \$235 million by 1992.

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Apple has its own electronic libraries and the provide text are about \$235

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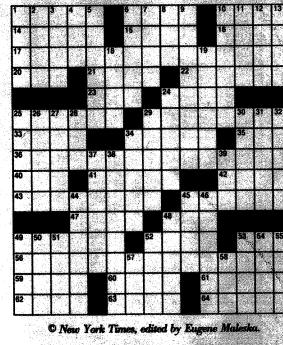
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